



Reprinted
April 15, 2015

ENGROSSED SENATE BILL No. 566

DIGEST OF SB 566 (Updated April 14, 2015 5:46 pm - DI 116)

Citations Affected: IC 4-6; IC 20-19; IC 20-25; IC 20-25.7; IC 20-26; IC 20-28; IC 20-29; IC 20-31; IC 20-39; IC 20-43; IC 20-51; noncode.

Synopsis: Education. Requires the attorney general in consultation with the Indiana education employment relations board (board) to draft and disseminate a letter by first class mail to teachers providing a summary of the teacher's rights and protections under state and federal law. Provides that teacher names and addresses provided to the attorney general are confidential and excepted under Indiana's public access laws Provides that the education roundtable may not recommend
(Continued next page)

Effective: Upon passage; June 30, 2015; July 1, 2015.

**Mishler, Kenley, Hershman,
Charbonneau, Eckerty, Miller Patricia,
Schneider, Kruse, Bray, Stoops,
Tallian, Young R Michael**

(HOUSE SPONSORS — BROWN T, OBER, PORTER, HARMAN)

January 20, 2015, read first time and referred to Committee on Education & Career Development.

February 12, 2015, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 19, 2015, amended, reported favorably — Do Pass.

February 23, 2015, read second time, amended, ordered engrossed.

February 24, 2015, engrossed. Read third time, passed. Yeas 46, nays 3.

HOUSE ACTION

March 12, 2015, read first time and referred to Committee on Education.

April 7, 2015, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

April 9, 2015, amended, reported — Do Pass.

April 14, 2015, read second time, amended, ordered engrossed.

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and the state board of education (state board) may not adopt Common Core Standards or an assessment or test that is produced solely by the United States government or a consortium of states. Specifies that the state board shall ensure that applications for the necessary flexibility waivers under the federal No Child Left Behind Act are filed in a timely fashion and that the applications comply with the educational policies of the state board. Provides for innovation network school programs in school corporations. Indicates that a school corporation may provide supplemental compensation to a teacher who earns a master's degree in the subject matter of a dual credit course or other course taught by the teacher. Provides that each school corporation shall consider suggestions from any certificated employee of the school corporation when developing a staff evaluation plan. Requires a school corporation to publish the staff evaluation plan on the school corporation's Internet web site. Provides that factfinding by a factfinder may not last longer than 30 days. Provides that the board must rule on an appeal of a factfinder's decision within 60 days of receipt of the notice of appeal. Provides that the board must complete its review of whether a collective bargaining agreement is in compliance with law before March 31 of the year in which the collective bargaining agreement expires. Provides that the board may issue certain orders if the collective bargaining agreement is found to be noncompliant with Indiana law. Makes changes to a provision that authorizes the board to issue an order in the case in which a collective bargaining agreement is found to be noncompliant. Adds a severability provision relating to a collective bargaining agreement that is found to be noncompliant by the board. Provides that the public hearing for a collective bargaining impasse proceeding may begin not earlier than October 1 in the first year of the state budget biennium and must be concluded by February 1 of the year following the commencement of bargaining. Provides that the state board's definition and criteria may include placing a school that fits the state board's definition in a "null" or "no letter grade" category. Provides that a governing body may elect to use an accounting system that utilizes generally accepted accounting principles (GAAP) or another system approved by the state board of accounts. Provides that the state board, when developing categories of school improvement, shall consider the severity of tested students' disabilities when using ISTEP scores as a means of assessing school performance. Provides, that beginning with the September count of students made in 2015, the state board shall adjust school's ADM by adding certain students who graduate high school early. Urges the legislative council to assign to the education study committee the issue of whether: (1) the ISTEP program should be replaced with an alternative statewide assessment; and (2) formal collective bargaining between a school corporation and the exclusive representative may begin before August 1 of a particular year.



Reprinted
April 15, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED

SENATE BILL No. 566

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-6-2-1.5, AS AMENDED BY P.L.121-2009,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 1.5. (a) Whenever any state governmental official
4 or employee, whether elected or appointed, is made a party to a suit,
5 and the attorney general determines that said suit has arisen out of an
6 act which such official or employee in good faith believed to be within
7 the scope of the official's or employee's duties as prescribed by statute
8 or duly adopted regulation, the attorney general shall defend such
9 person throughout such action.
10 (b) Whenever a teacher (as defined in IC 20-18-2-22) is made a
11 party to a civil suit, and the attorney general determines that the suit
12 has arisen out of an act that the teacher in good faith believed was
13 within the scope of the teacher's duties in enforcing discipline policies
14 developed under IC 20-33-8-12, the attorney general shall defend the
15 teacher throughout the action.
16 (c) ~~Not later than August 15 of each year:~~

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- 1 (1) the attorney general shall draft; and
 2 (2) the state superintendent of public instruction shall disseminate
 3 in:
 4 (A) written;
 5 (B) electronic; or
 6 (C) other;
 7 form;

8 a notice to each teacher concerning the teacher's qualified immunity
 9 under IC 20-33-8-8(b)(3) and rights under this section:

10 (c) Not later than July 30 of each year, the attorney general, in
 11 consultation with the Indiana education employment relations
 12 board established in IC 20-29-3-1, shall draft and disseminate a
 13 letter by first class mail to the residence of teachers providing a
 14 summary of the teacher's rights and protections under state and
 15 federal law, including a teacher's rights and protections relating to
 16 the teacher's performance evaluation under IC 20-28-11.5.

17 (d) The department of education, in consultation with the
 18 Indiana education employment relations board, shall develop a
 19 method to provide the attorney general with the names and
 20 addresses of active teachers in Indiana in order for the attorney
 21 general to disseminate the letter described in subsection (c). Names
 22 and addresses collected and provided to the attorney general under
 23 this subsection are confidential and excepted from public
 24 disclosure as provided in IC 5-14-3-4.

25 ~~(d)~~ (e) Whenever a school corporation (as defined in IC 20-26-2-4)
 26 is made a party to a civil suit and the attorney general determines that
 27 the suit has arisen out of an act authorized under IC 20-30-5-0.5 or
 28 IC 20-30-5-4.5, the attorney general shall defend the school corporation
 29 throughout the action.

30 ~~(e)~~ (f) A determination by the attorney general under subsection (a),
 31 (b), or (d) shall not be admitted as evidence in the trial of any such civil
 32 action for damages.

33 ~~(f)~~ (g) Nothing in this chapter shall be construed to deprive any such
 34 person of the person's right to select counsel of the person's own choice
 35 at the person's own expense.

36 SECTION 2. IC 20-19-2-14.5, AS AMENDED BY P.L.31-2014,
 37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 14.5. (a) As used in this section:

- 39 (1) "college and career readiness educational standards" means
 40 the Indiana standards that a high school graduate must meet to
 41 obtain the requisite knowledge and skill to transition without
 42 remediation to postsecondary education or training, and



ultimately into a sustainable career; and

(2) "cut scores" means the scores that define a student's performance on an assessment, including passing, failing, or falling into a performance category.

(b) ~~Before July 1, 2014~~, The state board shall adopt Indiana college and career readiness educational standards. ~~voiding the previously adopted set of educational standards~~. The educational standards must do the following:

(1) Meet national and international benchmarks for college and career readiness standards and be aligned with postsecondary educational expectations.

(2) Use the highest standards in the United States.

(3) Comply with federal standards to receive a flexibility waiver under 20 U.S.C. 7861, as in effect on January 1, 2014.

(4) Prepare Indiana students for college and career success, including the proper preparation for nationally recognized college entrance examinations such as the ACT and SAT.

(5) Maintain Indiana sovereignty.

(6) Provide strict safeguards to protect the confidentiality of student data.

(c) ~~The department shall administer ISTEP assessments under IC 20-32-5 during the 2013-2015 biennium. During the 2015-2016 school year, subject to subsection (e), the state board shall authorize the department to administer either the ISTEP assessment under IC 20-32-5 or a comparable assessment program that is aligned with the educational standards adopted by the state board under subsection (b).~~

(d) ~~Before the state board may authorize an assessment program under subsection (c), the state board shall submit the proposed assessment program to the budget committee for review.~~

(e) ~~(c) This subsection does not apply to an agreement with the United States Department of Education concerning a waiver from federal requirements. After June 30, 2013, The state, or the state board on behalf of the state, may not enter into or renew an agreement with any organization, entity, group, or consortium that requires the state to cede any measure of autonomy or control of education standards and assessments, including cut scores. The state board may not adopt Common Core (Common Core State Standards Initiative) or an assessment or test that is produced solely by the United States government or a consortium of states.~~

~~(f)~~ (d) The state board may adopt emergency rules in the manner provided in IC 4-22-2-37.1 to implement this section. As provided in



1 IC 4-22-2-37.1 for an emergency rule adopted under this section to be
 2 effective after one (1) extension period, the rule must be adopted in
 3 conformity with the procedures under IC 4-22-2-24 through
 4 IC 4-22-2-36.

5 SECTION 3. IC 20-19-2-16, AS ADDED BY P.L.1-2005,
 6 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 16. (a) The state accepts the provisions and
 8 benefits of laws enacted by the Congress of the United States that
 9 provide for aid to children with disabilities.

10 (b) The state board is designated as the proper authority and may
 11 accept any federal funds appropriated to aid in the education of
 12 children with disabilities. The state board shall comply with all the
 13 requirements of:

14 (1) federal law concerning any federal funds relating to special
 15 educational activities; and

16 (2) any amendments to those laws or rules and regulations issued
 17 under and in conformity with those laws and not inconsistent with
 18 this chapter.

19 (c) **The state board shall ensure that applications for obtaining**
 20 **and renewing necessary flexibility waivers under Section 9401 of**
 21 **the federal Elementary and Secondary Education Act of 1965, as**
 22 **amended and reauthorized under the federal No Child Left Behind**
 23 **Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and**
 24 **federal regulations promulgated to implement federal law are**
 25 **timely filed, the appropriate federal agencies have the**
 26 **documentation and other information needed to grant the**
 27 **flexibility waivers, and that the applications comply with the**
 28 **educational policies of the state board. The superintendent of**
 29 **public instruction and the department, under the direction of the**
 30 **state board, shall carry out the work necessary to obtain and renew**
 31 **necessary flexibility waivers.**

32 SECTION 4. IC 20-19-4-11, AS ADDED BY P.L.1-2005,
 33 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 11. (a) In making recommendations under
 35 section 10 of this chapter, the roundtable shall consider

36 (†) a variety of available ~~national and international~~ **nationally**
 37 **recognized** assessments and tests. **The roundtable may not**
 38 **recommend Common Core (Common Core State Standards**
 39 **Initiative) or recommend academic standards that are**
 40 **produced solely by the United States government or a**
 41 **consortium of states.**

42 (b) The roundtable may not consider or recommend any of the



following:

(2) The development of an assessment or test unique to Indiana; and

(3) any combination of assessments or tests described under subdivisions (1) and (2).

(1) An assessment or test that does not assess student progress toward mastery of Indiana academic standards adopted or proposed by the state board.

(2) An assessment or a test that adopts Common Core (Common Core State Standards Initiative) or an assessment or test that is produced solely by the United States government or a consortium of states.

(c) The roundtable shall consider assessments or tests that would permit the state to secure renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law.

SECTION 5. IC 20-25-3-6, AS ADDED BY P.L. 1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A member of a standing committee of the board provided for by the board's rules shall be appointed by the president within three (3) weeks after the president's election to the office of president.

(b) Subject to the limitations in this chapter, the board may fix the salaries of each officer and employee of the board.

(c) The board in:

(1) electing and choosing a general superintendent; and

(2) employing agents and employees that the board considers necessary to conduct the business of the school city;

shall choose individuals whose qualifications peculiarly fit the positions the individuals will occupy.

(d) The board shall contract for and establish the amount of salary or compensation to be paid to each officer, agent, and employee chosen or elected by the board. The board shall adopt a ~~schedule of salaries~~ **compensation plan that specifies the salary range** that the board considers proper, and for the purpose of establishing a ~~salary schedule~~, **compensation plan**, the board may divide teachers, principals, and other employees into classes based upon efficiency, qualifications, experience, and responsibility. Each principal, teacher, or employee in a class shall receive the same regular salary given to each of the other



members of the same class, subject to the provisions of this article.

(e) The board may:

(1) by rule fix the time and the number of meetings of the board, except that one (1) regular meeting must be held in each calendar month; and

(2) make, amend, and repeal bylaws and rules for:

(A) the board's own procedure; and

(B) the government and management of:

(i) the board's schools; and

(ii) property under the board's control.

SECTION 6. IC 20-25.7 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 25.7. INNOVATION NETWORK SCHOOLS

Chapter 1. Applicability

Sec. 1. This article applies to all school corporations.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the governing body (as defined in IC 20-18-2-5) of a school corporation.

Sec. 3. "Eligible school" means a school that is part of a school corporation.

Sec. 4. "Innovation network school" means a school operated by a school management team under this article.

Sec. 5. "Participating innovation network charter school" means a charter school whose organizer enters into an agreement under IC 20-25.7-4 to have the charter school participate as an innovation network school.

Sec. 6. "School management team" means an entity responsible for the operations of an innovation network school within a school corporation.

Chapter 3. Establishment of Innovation Network Schools

Sec. 1. An innovation network school is subject to all federal and state laws and constitutional provisions that prohibit discrimination on the basis of the following:

(1) Disability.

(2) Race.

(3) Color.

(4) Gender.

(5) National origin.

(6) Religion.



(7) Ancestry.

Sec. 2. (a) The board may enter into an agreement with a school management team:

(1) to establish an innovation network school, as determined by the board; or

(2) to reconstitute an eligible school as an innovation network school.

The school management team for an eligible school that is reconstituted as an innovation network school may consist of or include the principal and other individuals who were employed at the eligible school before the agreement is entered.

(b) The terms of the agreement must specify the following:

(1) A statement that the innovation network school is considered to be part of the school corporation and not considered a separate local educational agency.

(2) A statement that the school management team authorizes the department to include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(3) The amount of state and federal funding, including tuition support, and money levied as property taxes that will be distributed by the school corporation to the innovation network school.

(4) The performance goals and accountability metrics agreed upon for the innovation network school.

(5) Grounds for termination of the agreement, including the right of termination if the school management team fails to:

(A) comply with the conditions or procedures established in the agreement;

(B) meet generally accepted fiscal management and government accounting principles;

(C) comply with applicable laws; or

(D) meet the educational goals set forth in the agreement between the board and the school management team.

(c) If an agreement is entered into under subsection (a), the board shall notify the department that an agreement has been made under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), the department shall, for school years starting after the date of the agreement:



(1) include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

(2) treat the innovation network school in the same manner as a school operated by the school corporation when calculating the total amount of state and federal funding to be distributed to the school corporation.

A school corporation and an innovation network school are not entitled to any state funding in addition to the amount the school corporation and school would otherwise be eligible to receive if the innovation network school were a public school maintained by the school corporation.

Sec. 3. (a) For as long as the school management team operates the innovation network school:

(1) the school management team may use the school building, the accompanying real property, and the building's contents, equipment, and supplies, as provided in the agreement established in section 2 of this chapter; and

(2) the school corporation may:

(A) provide transportation for students attending the innovation network school; and

(B) maintain and repair the buildings and grounds consistent with the maintenance and repair to the school corporation's other buildings and grounds.

(b) If the school management team contracts with a school corporation for goods or services, the school corporation may not charge the school management team more for the goods or services than the school corporation pays for the goods or services.

(c) For as long as the school management team operates the innovation network school, the school corporation may distribute money levied as property taxes to the school management team. Property taxes distributed to a management team must be used only for a purpose for which the property taxes could have been used by the school corporation. Property taxes distributed under this subsection may supplement services and property provided under subsection (a) or (b). A school corporation may modify an agreement described in section 2 of this chapter to implement this subsection.

Sec. 4. (a) The school management team shall have full operational autonomy to run the innovation network school as provided in the agreement described in section 2 of this chapter.



(b) A school management team that operates an innovation network school under this chapter shall make all personnel decisions in the innovation network school. The certificated employees in an innovation network school may elect, as a group, by majority vote of all certificated employees in the innovation network school, to either:

- (1) have the collectively bargained agreement applicable to other certificated employees in the school corporation outside the innovation network school apply to the certificated employees in the innovation network school; or
- (2) organize and collectively bargain separately under IC 20-29 from other certificated employees in the school corporation outside the innovation network school.

(c) Individuals employed by an innovation network school are entitled to participate in either:

- (1) the state teachers' retirement fund created under IC 5-10.4; or
- (2) the public employees' retirement fund created under IC 5-10.3.

Sec. 5. (a) Except as otherwise provided in this article, the following do not apply to an innovation network school:

- (1) An Indiana statute applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the state board.
- (3) A rule or guideline adopted by the state board concerning teachers, except for those rules that assist a teacher in gaining or renewing a standard or advanced license.
- (4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the agreement described in section 2 of this chapter.

(b) Except as otherwise provided in this article, the following statutes apply to an innovation network school:

- (1) IC 20-24-8-5 (statutes applicable to charter schools).
- (2) IC 20-28-11.5 (staff performance evaluations).
- (3) IC 20-31-9 (school accountability and consequences).

Sec. 6. (a) Any student who lives in the attendance area served by a school that is operated as an innovation network school under this chapter may attend the innovation network school. The innovation network school may not refuse enrollment to a student who lives in the attendance area.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the



1 program, class, grade level, or building. If an innovation network
 2 school receives a greater number of applications than there are
 3 spaces for students, each timely applicant must be given an equal
 4 chance of admission.

5 Sec. 7. The school management team and the board shall hold
 6 a joint public meeting at least two (2) times each year to discuss
 7 issues and progress concerning the innovation network school.

8 Sec. 8. The board shall develop a program to provide support to
 9 teachers and administrators who wish to establish an innovation
 10 network school.

11 Chapter 4. Participation of Charter School as an Innovation 12 Network School

13 Sec. 1. Except as expressly provided in this article, a
 14 participating innovation network charter school remains subject
 15 to all state laws that govern charter schools.

16 Sec. 2. (a) Notwithstanding IC 20-26-7-1, the board may enter
 17 into an agreement with an organizer to establish a participating
 18 innovation network charter school within a vacant, underutilized,
 19 or underenrolled school building, as determined by the board.

20 (b) The terms of the agreement entered into between the board
 21 and an organizer must specify the following:

22 (1) A statement that the organizer authorizes the department
 23 to include the charter school's performance assessment results
 24 under IC 20-31-8 when calculating the school corporation's
 25 performance assessment under rules adopted by the state
 26 board.

27 (2) The amount of state funding, including tuition support,
 28 and money levied as property taxes that will be distributed by
 29 the school corporation to the organizer.

30 (3) The performance goals and accountability metrics agreed
 31 upon for the charter school in the charter agreement between
 32 the organizer and the authorizer.

33 (c) If an organizer and the board enter into an agreement under
 34 subsection (a), the organizer and the board shall notify the
 35 department that the agreement has been made under this section
 36 within thirty (30) days after the agreement is entered into.

37 (d) Upon receipt of the notification under subsection (c), the
 38 department shall, for school years starting after the date of the
 39 agreement:

40 (1) include the participating innovation network charter
 41 school's performance assessment results under IC 20-31-8
 42 when calculating the school corporation's performance



1 assessment under rules adopted by the state board; and
 2 (2) treat the participating innovation network charter school
 3 in the same manner as a school operated by the school
 4 corporation when calculating the total amount of state
 5 funding to be distributed to the school corporation.

6 Sec. 3. (a) For as long as the charter school remains a
 7 participating innovation network charter school, the school
 8 corporation may:

9 (1) provide transportation for students attending the
 10 participating innovation network charter school; and

11 (2) maintain and repair the buildings and grounds used by the
 12 participating innovation network charter school consistent
 13 with the maintenance and repair to the school corporation's
 14 other buildings and grounds.

15 (b) If an organizer contracts with a school corporation for goods
 16 or services, the school corporation may not charge the organizer
 17 more for the goods or services than the school corporation pays for
 18 the goods or services.

19 (c) For as long as the charter school remains a participating
 20 innovation network charter school, the school corporation may
 21 distribute money levied as property taxes to the charter school.
 22 Property taxes distributed to a charter school must be used only
 23 for a purpose for which the property taxes could have been used by
 24 the school corporation. Property taxes distributed under this
 25 subsection may supplement services and property provided under
 26 subsection (a) or (b). A school corporation may modify an
 27 agreement described in section 2 of this chapter to implement this
 28 subsection.

29 Sec. 4. An employee of a school corporation who provides
 30 services to a participating innovation network charter school under
 31 this article remains an employee of the school corporation.

32 SECTION 7. IC 20-26-5-4, AS AMENDED BY P.L.2-2014,
 33 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 4. (a) In carrying out the school purposes of
 35 a school corporation, the governing body acting on the school
 36 corporation's behalf has the following specific powers:

37 (1) In the name of the school corporation, to sue and be sued and
 38 to enter into contracts in matters permitted by applicable law.
 39 However, a governing body may not use funds received from the
 40 state to bring or join in an action against the state, unless the
 41 governing body is challenging an adverse decision by a state
 42 agency, board, or commission.



(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's ADM of the previous year (as defined in IC 20-43-1-7) to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To do the following:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers



- 1 necessary for school purposes.
- 2 (C) Provide for conservation measures through utility
- 3 efficiency programs or under a guaranteed savings contract as
- 4 described in IC 36-1-12.5.
- 5 (5) To acquire personal property or an interest in personal
- 6 property as the governing body considers necessary for school
- 7 purposes, including buses, motor vehicles, equipment, apparatus,
- 8 appliances, books, furniture, and supplies, either by cash purchase
- 9 or under conditional sales or purchase money contracts providing
- 10 for a security interest by the seller until payment is made or by
- 11 notes where the contract, security, retention, or note is permitted
- 12 by applicable law, by gift, by devise, by loan, or by lease with or
- 13 without option to purchase and to repair, remodel, remove,
- 14 relocate, and demolish the personal property. All purchases and
- 15 contracts specified under the powers authorized under subdivision
- 16 (4) and this subdivision are subject solely to applicable law
- 17 relating to purchases and contracting by municipal corporations
- 18 in general and to the supervisory control of state agencies as
- 19 provided in section 6 of this chapter.
- 20 (6) To sell or exchange real or personal property or interest in real
- 21 or personal property that, in the opinion of the governing body, is
- 22 not necessary for school purposes, in accordance with IC 20-26-7,
- 23 to demolish or otherwise dispose of the property if, in the opinion
- 24 of the governing body, the property is not necessary for school
- 25 purposes and is worthless, and to pay the expenses for the
- 26 demolition or disposition.
- 27 (7) To lease any school property for a rental that the governing
- 28 body considers reasonable or to permit the free use of school
- 29 property for:
- 30 (A) civic or public purposes; or
- 31 (B) the operation of a school age child care program for
- 32 children who are at least five (5) years of age and less than
- 33 fifteen (15) years of age that operates before or after the school
- 34 day, or both, and during periods when school is not in session;
- 35 if the property is not needed for school purposes. Under this
- 36 subdivision, the governing body may enter into a long term lease
- 37 with a nonprofit corporation, community service organization, or
- 38 other governmental entity, if the corporation, organization, or
- 39 other governmental entity will use the property to be leased for
- 40 civic or public purposes or for a school age child care program.
- 41 However, if payment for the property subject to a long term lease
- 42 is made from money in the school corporation's debt service fund,



all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To do the following:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.5.

(C) Classify persons or services described in this subdivision and to adopt ~~schedules of salaries or a~~ compensation **plan with a salary range** that ~~are is~~ consistent with IC 20-28-9-1.5.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the



1 school corporation when the governing body determines that it is
2 in the best interest of the school corporation while at the same
3 time providing reasonable accountability for the funds expended.

4 (9) Notwithstanding the appropriation limitation in subdivision
5 (3), when the governing body by resolution considers a trip by an
6 employee of the school corporation or by a member of the
7 governing body to be in the interest of the school corporation,
8 including attending meetings, conferences, or examining
9 equipment, buildings, and installation in other areas, to permit the
10 employee to be absent in connection with the trip without any loss
11 in pay and to reimburse the employee or the member the
12 employee's or member's reasonable lodging and meal expenses
13 and necessary transportation expenses. To pay teaching personnel
14 for time spent in sponsoring and working with school related trips
15 or activities.

16 (10) Subject to IC 20-27-13, to transport children to and from
17 school, when in the opinion of the governing body the
18 transportation is necessary, including considerations for the safety
19 of the children and without regard to the distance the children live
20 from the school. The transportation must be otherwise in
21 accordance with applicable law.

22 (11) To provide a lunch program for a part or all of the students
23 attending the schools of the school corporation, including the
24 establishment of kitchens, kitchen facilities, kitchen equipment,
25 lunch rooms, the hiring of the necessary personnel to operate the
26 lunch program, and the purchase of material and supplies for the
27 lunch program, charging students for the operational costs of the
28 lunch program, fixing the price per meal or per food item. To
29 operate the lunch program as an extracurricular activity, subject
30 to the supervision of the governing body. To participate in a
31 surplus commodity or lunch aid program.

32 (12) To purchase curricular materials, to furnish curricular
33 materials without cost or to rent curricular materials to students,
34 to participate in a curricular materials aid program, all in
35 accordance with applicable law.

36 (13) To accept students transferred from other school corporations
37 and to transfer students to other school corporations in accordance
38 with applicable law.

39 (14) To make budgets, to appropriate funds, and to disburse the
40 money of the school corporation in accordance with applicable
41 law. To borrow money against current tax collections and
42 otherwise to borrow money, in accordance with IC 20-48-1.



(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

(A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance; to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules,



1 regulations, and procedures:

2 (A) for the government and management of the schools,
3 property, facilities, and activities of the school corporation, the
4 school corporation's agents, employees, and pupils and for the
5 operation of the governing body; and

6 (B) that may be designated by an appropriate title such as
7 "policy handbook", "bylaws", or "rules and regulations".

8 (19) To ratify and approve any action taken by a member of the
9 governing body, an officer of the governing body, or an employee
10 of the school corporation after the action is taken, if the action
11 could have been approved in advance, and in connection with the
12 action to pay the expense or compensation permitted under
13 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
14 IC 20-48-1 or any other law.

15 (20) To exercise any other power and make any expenditure in
16 carrying out the governing body's general powers and purposes
17 provided in this chapter or in carrying out the powers delineated
18 in this section which is reasonable from a business or educational
19 standpoint in carrying out school purposes of the school
20 corporation, including the acquisition of property or the
21 employment or contracting for services, even though the power or
22 expenditure is not specifically set out in this chapter. The specific
23 powers set out in this section do not limit the general grant of
24 powers provided in this chapter except where a limitation is set
25 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,
26 and IC 20-48-1 by specific language or by reference to other law.

27 (b) A superintendent hired under subsection (a)(8):

28 (1) is not required to hold a teacher's license under IC 20-28-5;
29 and

30 (2) is required to have obtained at least a master's degree from an
31 accredited postsecondary educational institution.

32 SECTION 8. IC 20-26-5-19, AS ADDED BY P.L.1-2005,
33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 19. A governing body under its powers to fix
35 and pay the salaries and compensation of employees of the school
36 corporation and to contract for services under ~~IC 20-26-5-4(8)~~
37 **IC 20-26-5-4(a)(8)** may distribute payroll based on contractual and
38 ~~salary schedule~~ **compensation plan** commitments instead of payroll
39 estimates approved in advance by the governing body.

40 SECTION 9. IC 20-28-6-2, AS AMENDED BY P.L.6-2012,
41 SECTION 137, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A contract entered into



by a teacher and a school corporation must:

- (1) be in writing;
- (2) be signed by both parties; and
- (3) contain the:
 - (A) beginning date of the school term as determined annually by the school corporation;
 - (B) number of days in the school term as determined annually by the school corporation;
 - (C) total salary to be paid to the teacher during the school year;
 - (D) number of salary payments to be made to the teacher during the school year; and
 - (E) number of hours per day the teacher is expected to work, as discussed pursuant to IC 20-29-6-7.

(b) The contract may provide for the annual determination of the teacher's annual compensation **by based on a local salary schedule; compensation plan specifying a salary range**, which is part of the contract. The ~~salary schedule~~ **compensation plan** may be changed by the school corporation ~~on or before the later of~~ **or the date specified in a collective bargaining agreement applicable to the next school year.** A teacher affected by the changes shall be furnished with printed copies of the changed ~~schedule~~ **compensation plan** not later than thirty (30) days after the ~~schedule's~~ **adoption of the compensation plan.**

(c) A contract under this section is also governed by the following statutes:

- (1) IC 20-28-9-5 through IC 20-28-9-6.
- (2) IC 20-28-9-9 through IC 20-28-9-11.
- (3) IC 20-28-9-13.
- (4) IC 20-28-9-14.

(d) A governing body shall provide the blank contract forms, carefully worded by the state superintendent, and have them signed. The contracts are public records open to inspection by the residents of each school corporation.

(e) An action may be brought on a contract that conforms with subsections (a)(1), (a)(2), and (d).

SECTION 10. IC 20-28-6-7, AS AMENDED BY P.L.90-2011, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section, "teacher" includes an individual who:

- (1) holds a substitute teacher's license; and
- (2) provides instruction in a joint summer school program under IC 20-30-7-5.



(b) The supplemental service teacher's contract shall be used when a teacher provides professional service in evening school or summer school employment, except when a teacher or other individual is employed to supervise or conduct noncredit courses or activities.

(c) If a teacher serves more than one hundred twenty (120) days on a supplemental service teacher's contract in a school year, the following apply:

(1) Sections 1, 2, 3, and 8 of this chapter.

(2) IC 20-28-10-1 through IC 20-28-10-5.

(d) The salary of a teacher on a supplemental service contract shall be determined by the superintendent. The superintendent may, but is not required to, base the salary on the regular ~~salary schedule~~ **compensation plan** for the school corporation.

SECTION 11. IC 20-28-7.5-1, AS AMENDED BY P.L.286-2013, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) This chapter applies to a teacher in a school corporation (as defined in IC 20-18-2-16(a)).

(b) A principal may decline to continue a probationary teacher's contract under sections 2 through 4 of this chapter if the probationary teacher:

(1) receives an ineffective designation on a performance evaluation under IC 20-28-11.5;

(2) receives two (2) consecutive improvement necessary ratings on a performance evaluation under IC 20-28-11.5; or

(3) is subject to a justifiable decrease in the number of teaching positions or any reason relevant to the school corporation's interest.

(c) Except as provided in subsection (e), a principal may not decline to continue a professional or established teacher's contract unless the teacher is subject to a justifiable decrease in the number of teaching positions.

(d) After June 30, 2012, the cancellation of teacher's contracts due to a justifiable decrease in the number of teaching positions shall be determined on the basis of performance rather than seniority. In cases where teachers are placed in the same performance category, any of the items in IC 20-28-9-1.5(b) may be considered.

(e) A contract with a teacher may be canceled immediately in the manner set forth in sections 2 through 4 of this chapter for any of the following reasons:

(1) Immorality.

(2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules adopted for the governance



of the school building or the school corporation.

(3) Justifiable decrease in the number of teaching positions.

(4) Incompetence, including receiving:

(A) an ineffective designation on two (2) consecutive performance evaluations under IC 20-28-11.5; or

(B) an ineffective designation or improvement necessary rating in three (3) years of any five (5) year period.

(5) Neglect of duty.

(6) A conviction for an offense listed in IC 20-28-5-8(c).

(7) Other good or just cause.

(f) A principal may decline to continue or cancel the contract only of a teacher who is supervised by the principal.

SECTION 12. IC 20-28-8-3, AS AMENDED BY P.L.253-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Before March 1 of the year during which the contract of an assistant superintendent, a principal, or an assistant principal is due to expire, the governing body of the school corporation, or an **employee attorney acting** at the direction of the governing body, shall give written notice of renewal or refusal to renew the individual's contract for the ensuing school year.

(b) If notice is not given before March 1 of the year during which the contract is due to expire, the contract then in force shall be reinstated only for the ensuing school year.

(c) This section does not prevent the modification or termination of a contract by mutual agreement of the assistant superintendent, the principal, or the assistant principal and the governing body.

SECTION 13. IC 20-28-9-1.5, AS ADDED BY P.L.286-2013, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) This subsection ~~applies to a contract in effect July 1, 2012, or upon the expiration of a contract in existence on July 1, 2011, whichever is earlier, and~~ governs salary increases for a teacher employed by a school corporation. ~~on or after the date this subsection takes effect.~~ Compensation attributable to additional degrees or graduate credits earned before the effective date of ~~the a~~ local ~~salary schedule~~ **compensation plan** created under this chapter **before July 1, 2015, shall continue for school years beginning after June 30, 2015.** Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also continue **for school years beginning after June 30, 2015. For school years beginning after June 30, 2015, a school corporation may provide a supplemental payment to a teacher in excess of the salary specified**



1 in the school corporation's compensation plan if the teacher has
 2 earned a master's degree from an accredited postsecondary
 3 educational institution in a content area directly related to the
 4 subject matter of:

5 (1) a dual credit course; or

6 (2) another course;

7 taught by the teacher. A supplement provided under this
 8 subsection is not subject to collective bargaining, but a discussion
 9 of the supplement must be held. Such a supplement is in addition
 10 to any increase permitted under subsection (b).

11 (b) Increases or increments in a local salary ~~scale~~ range must be
 12 based upon a combination of the following factors:

13 (1) A combination of the following factors taken together may
 14 account for not more than thirty-three percent (33%) of the
 15 calculation used to determine a teacher's increase or increment:

16 (A) The number of years of a teacher's experience.

17 (B) The attainment of either:

18 (i) additional content area degrees beyond the requirements
 19 for employment; or

20 (ii) additional content area degrees and credit hours beyond
 21 the requirements for employment, if required under an
 22 agreement bargained under IC 20-29.

23 (2) The results of an evaluation conducted under IC 20-28-11.5.

24 (3) The assignment of instructional leadership roles, including the
 25 responsibility for conducting evaluations under IC 20-28-11.5.

26 (4) The academic needs of students in the school corporation.

27 (c) A teacher rated ineffective or improvement necessary under
 28 IC 20-28-11.5 may not receive any raise or increment for the following
 29 year if the teacher's employment contract is continued. The amount that
 30 would otherwise have been allocated for the salary increase of teachers
 31 rated ineffective or improvement necessary shall be allocated for
 32 compensation of all teachers rated effective and highly effective based
 33 on the criteria in subsection (b).

34 (d) A teacher who does not receive a raise or increment under
 35 subsection (c) may file a request with the superintendent or
 36 superintendent's designee not later than five (5) days after receiving
 37 notice that the teacher received a rating of ineffective. The teacher is
 38 entitled to a private conference with the superintendent or
 39 superintendent's designee.

40 (e) ~~Not later than January 31, 2012,~~ The department shall publish a
 41 model salary schedule **compensation plan with a model salary range**
 42 that a school corporation may adopt. **Before July 1, 2015, the**



1 **department may modify the model compensation plan, as needed,**
 2 **to comply with subsection (f).**

3 (f) Each school corporation shall submit its local ~~salary schedule~~
 4 **compensation plan** to the department. **For a school year beginning**
 5 **after June 30, 2015, a local compensation plan must specify the**
 6 **range for teacher salaries.** The department shall publish the local
 7 ~~salary schedules~~ **compensation plans** on the department's Internet web
 8 site.

9 (g) The department shall report any noncompliance with this section
 10 to the state board.

11 (h) The state board shall take appropriate action to ensure
 12 compliance with this section.

13 (i) This chapter may not be construed to require or allow a school
 14 corporation to decrease the salary of any teacher below the salary the
 15 teacher was earning on or before July 1, ~~2012~~, **2015**, if that decrease
 16 would be made solely to conform to the new ~~salary scale~~.
 17 **compensation plan.**

18 (j) After June 30, 2011, all rights, duties, or obligations established
 19 under IC 20-28-9-1 before its repeal are considered rights, duties, or
 20 obligations under this section.

21 SECTION 14. IC 20-28-9-7, AS ADDED BY P.L.246-2005,
 22 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) An individual who:

24 (1) holds:

- 25 (A) a professional license;
- 26 (B) a provisional license;
- 27 (C) a limited license; or
- 28 (D) an equivalent license issued by the department; and

29 (2) serves as an occasional substitute teacher;

30 shall be compensated ~~on~~ **in conformity with the pay schedule range**
 31 for substitutes of the school corporation the individual serves.

32 (b) An individual who:

33 (1) holds a:

- 34 (A) professional license; or
- 35 (B) provisional license; and

36 (2) serves as a substitute teacher in the same teaching position for
 37 more than fifteen (15) consecutive school days;

38 shall be compensated ~~on~~ **in conformity with the regular pay schedule**
 39 **range** for teachers of the school corporation the individual serves.

40 SECTION 15. IC 20-28-9-8, AS ADDED BY P.L.1-2005,
 41 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 8. An individual who holds a substitute



1 license shall be compensated ~~on in conformity with~~ the pay ~~schedule~~
 2 **range** for substitutes of the school corporation the individual serves.

3 SECTION 16. IC 20-28-10-2, AS AMENDED BY P.L.90-2011,
 4 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 2. (a) Except as provided in section 1 of this
 6 chapter, rights existing at the time a leave commences that arise from
 7 a teacher's:

- 8 (1) status as a professional or established teacher;
- 9 (2) accumulation of successive years of service;
- 10 (3) service performed under a teacher's contract under
- 11 IC 20-28-6-8; or
- 12 (4) status or rights negotiated under IC 20-29;

13 remain intact.

14 (b) During a leave the teacher may maintain coverage in a group
 15 insurance program by paying the total premium including the school
 16 corporation's share, if any, attributable to the leave period. The school
 17 corporation may elect to pay all or part of the cost of the premium as an
 18 adopted or negotiated fringe benefit to teachers on leave.

19 (c) During a leave extending into a part of a school year, a teacher
 20 accumulates sick leave under IC 20-28-9-9 through IC 20-28-9-12, or
 21 ~~a the~~ salary ~~schedule range~~ of the school corporation that provides
 22 greater sick leave, in the same proportion that the number of days the
 23 teacher is paid during the year for work or leave bears to the total
 24 number of days for which teachers are paid in the school corporation.

25 (d) Except as provided in section 1 of this chapter, during a leave of
 26 a probationary teacher, the period of probationary successive years of
 27 service under a teacher's contract that is a condition precedent to
 28 becoming a professional or established teacher under IC 20-28-6-8 is
 29 uninterrupted for that teacher. However, this probationary period may
 30 not include an entire school year spent on leave.

31 (e) All or part of a leave granted for sickness or disability, including
 32 pregnancy related disability, may be charged at the teacher's discretion
 33 to the teacher's available sick days. However, the teacher is not entitled
 34 to take accumulated sick days when the teacher's physician certifies
 35 that the teacher is capable of performing the teacher's regular teaching
 36 duties. The teacher is entitled to complete the remaining leave without
 37 pay.

38 SECTION 17. IC 20-28-10-16, AS AMENDED BY P.L.2-2006,
 39 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) If a teacher serves in the
 41 general assembly, the teacher shall be given credit for the time spent in
 42 this service, including the time spent for council or committee



meetings. The leave for this service does not diminish the teacher's rights under the Indiana state teachers' retirement fund or the teacher's advancement on the state or a local ~~salary schedule~~. **compensation plan.** For these purposes, the teacher is, despite the leave, considered teaching for the school during that time.

(b) The compensation received while serving in the general assembly shall be included for teachers retiring after June 30, 1980, in the determination of the teacher's annual compensation to compute the teacher's retirement benefit under IC 5-10.2-4. A teacher serving in the general assembly may choose to have deductions made from the teacher's salary as a legislator for contributions under either IC 5-10.4-4-11 or IC 5-10.3-7-9.

SECTION 18. IC 20-28-11.5-4, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) Each school corporation shall develop a plan for annual performance evaluations for each certificated employee (as defined in IC 20-29-2-4). A school corporation shall implement the plan beginning with the 2012-2013 school year.

(b) Notwithstanding IC 20-29-6-7, each school corporation shall consider suggestions from any certificated employee of the school corporation when developing a plan under subsection (a).

~~(b)~~ **(c)** Instead of developing its own staff performance evaluation plan under subsection (a), a school corporation may adopt a staff performance evaluation plan that meets the requirements set forth in this chapter or any of the following models:

- (1) A plan using master teachers or contracting with an outside vendor to provide master teachers.
- (2) The System for Teacher and Student Advancement (TAP).
- (3) The Peer Assistance and Review Teacher Evaluation System (PAR).

~~(c)~~ **(d)** A plan must include the following components:

- (1) Performance evaluations for all certificated employees, conducted at least annually.
- (2) Objective measures of student achievement and growth to significantly inform the evaluation. The objective measures must include:
 - (A) student assessment results from statewide assessments for certificated employees whose responsibilities include instruction in subjects measured in statewide assessments;
 - (B) methods for assessing student growth for certificated employees who do not teach in areas measured by statewide assessments; and



- 1 (C) student assessment results from locally developed
- 2 assessments and other test measures for certificated employees
- 3 whose responsibilities may or may not include instruction in
- 4 subjects and areas measured by statewide assessments.
- 5 (3) Rigorous measures of effectiveness, including observations
- 6 and other performance indicators.
- 7 (4) An annual designation of each certificated employee in one
- 8 (1) of the following rating categories:
- 9 (A) Highly effective.
- 10 (B) Effective.
- 11 (C) Improvement necessary.
- 12 (D) Ineffective.
- 13 (5) An explanation of the evaluator's recommendations for
- 14 improvement, and the time in which improvement is expected.
- 15 (6) A provision that a teacher who negatively affects student
- 16 achievement and growth cannot receive a rating of highly
- 17 effective or effective.
- 18 ~~(d)~~ (e) The evaluator shall discuss the evaluation with the
- 19 certificated employee.

20 **(f) Each school corporation shall post on the school**
 21 **corporation's Internet web site a copy of the school corporation's**
 22 **plan developed or adopted under this section.**

23 SECTION 19. IC 20-29-6-4, AS AMENDED BY P.L.286-2013,
 24 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 4. (a) A school employer shall bargain
 26 collectively with the exclusive representative on the following:

- 27 (1) Salary.
- 28 (2) Wages.
- 29 (3) Salary and wage related fringe benefits, including accident,
- 30 sickness, health, dental, vision, life, disability, retirement benefits,
- 31 and paid time off as permitted to be bargained under
- 32 IC 20-28-9-11.

33 (b) Salary and wages include the amounts of pay increases available
 34 to employees under the ~~salary scale~~ **compensation plan** adopted under
 35 IC 20-28-9-1.5, but do not include the teacher evaluation procedures
 36 and criteria, ~~or~~ any components of the teacher evaluation plan, rubric,
 37 or tool.

38 SECTION 20. IC 20-29-6-4.5, AS ADDED BY P.L.48-2011,
 39 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 4.5. (a) For a contract entered into after June
 41 30, 2011, a school employer may not bargain collectively with the
 42 exclusive representative on the following:



- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) For a contract entered into after January 1, 2015, for a school year beginning after June 30, 2015, a school employer may not bargain collectively with the exclusive representative for the following:

- (1) A matter described in subsection (a).**
- (2) A matter that another statute specifies is not subject to collective bargaining, including IC 20-28-9-1.5.**

(c) A subject set forth in subsection (a) or (b) that may not be bargained collectively may not be included in an agreement entered into under this article.

SECTION 21. IC 20-29-6-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 6.1. (a) After ratification of a contract under section 6 of this chapter, a school employer shall submit the ratified collective bargaining agreement, including the compensation model developed under IC 20-28-9-1.5, to the board.**

(b) The board shall appoint a staff member or an ad hoc panel member to review each submitted collective bargaining agreement and to make a written recommendation concerning the collective bargaining agreement's compliance with this chapter, including a penalty for any noncompliance. The review must be completed before March 30 of the year in which the current collective bargaining agreement expires.

(c) Not later than fifteen (15) days after a recommendation has been made under subsection (b), one (1) or both parties to a collective bargaining agreement may appeal to the board, in writing, the decision made in the recommendation. If the board does not receive an appeal not later than fifteen (15) days after issuing a recommendation, the recommendation becomes the final order of the board.

(d) If the board receives a timely appeal, the board may make



1 a decision on the recommendation with or without oral argument.
 2 The board may request that the parties submit briefs. The board
 3 must issue a ruling on the appeal not later than thirty (30) days
 4 after the last of the following occurs:

- 5 (1) The appeal is received.
- 6 (2) Briefs are received.
- 7 (3) Oral arguments are held.

8 (e) IC 4-21.5 does not apply to a review under subsection (b) or
 9 (d).

10 (f) If, following the review of a collective bargaining agreement,
 11 the board finds the collective bargaining agreement does not
 12 comply with this chapter, the board shall issue an order that may
 13 include one (1) or more of the following items:

- 14 (1) Ordering the parties to cease and desist from all identified
 15 areas of noncompliance.
- 16 (2) Preventing the parties from ratifying any subsequent
 17 collective bargaining agreements until the parties receive
 18 written approval from the board or the board's agent.
- 19 (3) Requiring other action as deemed appropriate by the
 20 board as authorized by state law.

21 (g) The board may send the board's compliance findings to
 22 other state agencies as necessary.

23 (h) After a school employer has submitted a collective
 24 bargaining agreement under subsection (a), the school employer
 25 and an exclusive representative may not enter into a new collective
 26 bargaining agreement containing the noncompliant provision until
 27 the school employer has received either:

- 28 (1) the board's order regarding the compliance of the
 29 submitted collective bargaining agreement with this chapter;
 30 or
- 31 (2) other written approval from the board or an agent of the
 32 board.

33 (i) If any provision of the collective bargaining agreement is
 34 found not to be compliant with this chapter, the provision that is
 35 found to be noncompliant with this chapter shall not affect other
 36 provisions of the collective bargaining agreement that can be given
 37 effect without the noncompliant provision, and to this end the
 38 provisions of collective bargaining agreement are severable.

39 (j) The board:

- 40 (1) shall adopt rules under IC 4-22; and
- 41 (2) may adopt emergency rules in the manner provided under
 42 IC 4-22-2-37.1;



1 **as necessary to implement this section.**

2 SECTION 22. IC 20-29-6-12.5, AS AMENDED BY P.L.205-2013,
3 SECTION 254, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) Before August 1 of the
5 first year of the state budget biennium, the department shall provide the
6 parties with an estimate of the general fund revenue available for
7 bargaining in the school corporation from the school funding formula.

8 (b) Within thirty (30) days after the date of the fall count of ADM
9 of the school year in the first year of the state budget biennium, the
10 department shall provide the parties with a certification of estimated
11 general fund revenue available for bargaining from the school funding
12 formula. A school employer that has passed a general fund operating
13 referendum under IC 20-46-1 must have that amount certified by the
14 department of local government finance. The school corporation must
15 obtain the certification before the ~~commencement~~ **conclusion** of
16 bargaining. These certifications must be the basis for determinations
17 throughout impasse proceedings under this chapter.

18 SECTION 23. IC 20-29-6-15.1, AS ADDED BY P.L.229-2011,
19 SECTION 181, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2015]: Sec. 15.1. (a) If an agreement has not
21 been reached on the items permitted to be bargained collectively under
22 section 4 of this chapter, within fifteen (15) days after mediation under
23 section 13 of this chapter has ended, the board shall initiate factfinding.

24 (b) Factfinding must culminate in the factfinder imposing contract
25 terms on the parties. The factfinder must select one (1) party's last best
26 offer as the contract terms. The factfinder's order must be restricted to
27 only those items permitted to be bargained and included in the
28 collective bargaining agreement under section 4 of this chapter and
29 must not put the employer in a position of deficit financing (as defined
30 in IC 20-29-2-6). The factfinder's order may not impose terms beyond
31 those proposed by the parties in their last, best offers.

32 (c) Costs for the factfinder shall be borne equally by the parties.

33 (d) Factfinding may not last longer than ~~fifteen (15)~~ **thirty (30)**
34 days.

35 SECTION 24. IC 20-29-6-18, AS AMENDED BY P.L.6-2012,
36 SECTION 140, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2015]: Sec. 18. (a) Either party may appeal the
38 decision of the factfinder under IC 20-29-6-15.1. The appeal must be
39 filed not later than thirty (30) days after receiving the factfinder's
40 decision.

41 (b) The board's decision must be restricted to only those items
42 permitted to be bargained and included in the collective bargaining



1 agreement under section 4 of this chapter and must not put the
 2 employer in a position of deficit financing, as defined in IC 20-29-2-6.
 3 The board's decision may not impose terms beyond those proposed by
 4 the parties in their last, best offers.

5 (c) The board must rule on the appeal within ~~thirty (30)~~ **sixty (60)**
 6 days after receipt of notice of appeal.

7 SECTION 25. IC 20-29-8-7, AS AMENDED BY P.L.229-2011,
 8 SECTION 183, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) When a factfinder is
 10 requested or required under IC 20-29-6, the board shall appoint a
 11 factfinder. ~~from the staff or panel established under section 6 of this~~
 12 ~~chapter.~~

13 (b) The factfinder shall make an investigation and hold hearings as
 14 the factfinder considers necessary in connection with a dispute.

15 (c) The factfinder:

- 16 (1) may restrict the factfinder's findings to those issues that the
- 17 factfinder determines significant;
- 18 (2) must restrict the findings to the items listed in IC 20-29-6-4;
- 19 and
- 20 (3) may not impose terms beyond those proposed by the parties in
- 21 their last, best offers.

22 (d) The factfinder may use evidence furnished to the factfinder by:

- 23 (1) the parties;
- 24 (2) the board;
- 25 (3) the board's staff; or
- 26 (4) any other state agency.

27 (e) The factfinder shall conduct the factfinding hearing in public in
 28 a room or facility owned by the county or local unit of government
 29 located in the county in which the school employer is located, or if the
 30 school employer is located in more than one (1) county, in the county
 31 in which the greatest number of students who attend the school
 32 employer's schools reside. The public hearing may begin not earlier
 33 than October 1 in the first year of the state budget biennium and must
 34 be concluded by ~~December 31~~ **February 1** of the ~~same~~ year **following**
 35 **the commencement of bargaining.**

36 (f) The factfinding process may not exceed ~~fifteen (15)~~ **thirty (30)**
 37 days from beginning to end, and not more than two (2) of those days
 38 may be used for public testimony, which may be taken at the discretion
 39 of the factfinder. During the public hearing, each party shall present
 40 fully its last, best offer, including the fiscal rationale for the offer. Only
 41 general operating funds and those funds certified by the department of
 42 education and the department of local government finance may be



considered as a source of the funding for items, unless the school funding formula allows other funds to be used for certain items.

(g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(h) The factfinder shall:

(1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and

(2) deliver the findings to the parties and to the board.

(i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

(1) the report; or

(2) the board's own possession.

The board may not make any recommendations to the parties related to any items not specifically identified in IC 20-29-6-4.

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board.

SECTION 26. IC 20-31-3-1, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** The state board shall adopt clear, concise, and jargon free state academic standards that are comparable to national and international academic standards **and the college and career readiness educational standards adopted under IC 20-19-2-14.5.** These academic standards must be adopted for each grade level from kindergarten through grade 12 for the following subjects:

(1) English/language arts.

(2) Mathematics.

(3) Social studies.

(4) Science.

(b) For grade levels tested under the ISTEP program, the academic standards must be based in part on the results of the ISTEP program.

SECTION 27. IC 20-31-8-3, AS AMENDED BY P.L.286-2013, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. **(a)** The state board shall



1 establish a number of categories, using an "A" through "F" grading
 2 scale, to designate performance based on the individual student
 3 academic performance and growth to proficiency in each school.

4 **(b) The state board, in consultation with the department, shall**
 5 **define "low population schools" and shall determine the criteria**
 6 **for placing low population schools in categories established under**
 7 **subsection (a). In setting the definition and criteria for low**
 8 **population schools, the state board shall not penalize schools based**
 9 **on population. An eligible school (as defined in IC 20-51-1-4.7) may**
 10 **not be penalized under IC 20-51-4-9 for the sole reason that the**
 11 **eligible school is considered a low population school under this**
 12 **subsection. The state board's definition and criteria may include**
 13 **the placement of a school that fits the state board's definition in a**
 14 **"null" or "no letter grade" category.**

15 **(c) In developing metrics for the categories established under**
 16 **subsection (a), the state board, in consultation with the department,**
 17 **shall consider the severity of tested students' disabilities when**
 18 **using ISTEP scores as a means of assessing school performance.**

19 SECTION 28. IC 20-39-1-1, AS AMENDED BY P.L.280-2013,
 20 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2015]: Sec. 1. **(a) Except as provided in subsection (b), all**
 22 **public school governing bodies, except a charter school organizer, shall**
 23 **adopt and fully and accurately implement a single, unified accounting**
 24 **system as prescribed by the state board and the state board of accounts.**

25 **(b) After June 30, 2015, all public school governing bodies,**
 26 **except a charter school organizer, may adopt an accounting system**
 27 **and budget system as provided in IC 20-26-15-6(3). If a governing**
 28 **body elects to establish an accounting or budget system under this**
 29 **subsection that does not use consistently applied United States**
 30 **generally accepted accounting principles (GAAP) as developed by**
 31 **the Governmental Accounting Standards Board, the governing**
 32 **body's proposed accounting system must be approved by the state**
 33 **board of accounts. The governing body shall request approval of**
 34 **an accounting system under this section in a manner prescribed by**
 35 **the state board of accounts. If a governing body elects to establish**
 36 **an accounting system under this subsection, the governing body**
 37 **must transition to the new accounting system and the state board**
 38 **of accounts may not initiate an audit of the school corporation**
 39 **within nine (9) calendar months after the later of:**

40 **(1) the date the governing body elects to change accounting**
 41 **systems under this subsection; or**

42 **(2) the date the state board of accounts approves an**



accounting system under this subsection.

However, the state board of accounts may include the transition period in an audit initiated within nine (9) calendar months after the later of the date described in subdivision (1) or (2).

SECTION 29. IC 20-43-1-1, AS AMENDED BY P.L.205-2013, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2015]: Sec. 1. This article expires ~~July 1, 2015~~; **July 1, 2017**.

SECTION 30. IC 20-43-4-2, AS AMENDED BY P.L.205-2013, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on the days fixed in September and in February by the state board for a count of students under section 3 of this chapter and as subsequently adjusted not later than the date specified under the rules adopted by the state board. The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. **The state board shall adjust a school corporation's count of students as provided in section 3.5 of this chapter.** In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school ~~corporation~~ **corporation** if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment.

(b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department.

SECTION 31. IC 20-43-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 3.5. (a) Beginning with the September count of students made in 2015, the state board shall adjust the September count of a school corporation's ADM by adding to the count (as otherwise adjusted under this chapter) the number of students who meet all of the following conditions:**

(1) The student was included in the school corporation's count of students in the preceding February.

(2) After the date of the school corporation's count of students in the preceding February and before the date of the school corporation's September count of students, the student



completed the student's requirements for graduation for course credits earned before completing or upon completion of grade 11.

(3) On the date of the September count of students, the student is not enrolled in the school corporation.

(b) Beginning with the February count of students made in 2016, the state board shall adjust the February count of a school corporation's ADM by adding to that count (as otherwise adjusted under this chapter) the number of students who meet either of the following conditions:

(1) The student:

(A) was included in the school corporation's count of students for the preceding September because of an adjustment made under subsection (a); and

(B) is not enrolled in the school corporation on the date of the February count of students.

(2) The student:

(A) was included in the school corporation's count of students in the preceding September;

(B) completed the student's requirements for graduation after the date of the school corporation's count of students in the preceding September and before the date of the school corporation's February count of students; and

(C) is not enrolled in the school corporation on the date of the February count of students.

SECTION 32. IC 20-51-4-7, AS AMENDED BY P.L.211-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) The department shall administer this chapter.

(b) The department shall approve an application for an eligible school within fifteen (15) days after the date the school requests to participate in the choice scholarship program.

(c) The department shall approve an application for a choice scholarship student within fifteen (15) days after the date the student requests to participate in the choice scholarship program.

(d) Each year, at a minimum, the department shall accept applications from March 1 through September 1 for:

(1) choice scholarship students; or

(2) eligible schools;

for the upcoming school year.

(e) This chapter may not be construed in a manner that would impose additional requirements for approving an application for



1 an eligible school placed in a "null" or "no letter grade" category
2 established under IC 20-31-8-3(b).

3 ~~(e)~~ (f) The department shall adopt rules under IC 4-22-2 to
4 implement this chapter.

5 ~~(f)~~ (g) The department may adopt emergency rules under
6 IC 4-22-2-37.1 to implement this chapter.

7 SECTION 33. [EFFECTIVE JULY 1, 2015] (a) The definitions
8 used in IC 20 apply throughout this SECTION.

9 (b) As used in this SECTION, "committee" refers to the
10 education study committee established by IC 2-5-1.3-4.

11 (c) The general assembly urges the legislative council to assign
12 to the committee the task of studying whether:

13 (1) the ISTEP program should be replaced with an alternative
14 statewide assessment; and

15 (2) formal collective bargaining between a school corporation
16 and the exclusive representative may begin before August 1 of
17 a particular year.

18 (d) The committee shall issue to the legislative council a final
19 report containing the committee's findings and recommendations,
20 including any recommended legislation concerning the topic, in an
21 electronic format under IC 5-14-6 not later than November 1, 2015.

22 (e) This SECTION expires January 1, 2016.

23 SECTION 34. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 15, delete "or a paraprofessional person".

Page 4, line 27, delete "The state board shall adopt college and career readiness".

Page 4, line 28, delete "educational standards.".

Page 4, line 28, strike "Before July 1,".

Page 4, line 28, reset in roman "2014,".

Page 4, line 28, delete "2016,".

Page 4, line 29, delete "the initial".

Page 4, line 30, delete "that meet the requirement described in subdivision (7),".

Page 4, line 38, delete "7861." and insert "7861,".

Page 4, line 38, reset in roman "as in effect on January 1, 2014,".

Page 5, delete lines 3 through 7.

Page 5, line 18, after "(e)" insert "(c)".

Page 5, line 20, after "2013," delete "the" and insert "The".

Page 5, line 20, reset in roman "state, or the state board on".

Page 5, reset in roman lines 21 through 24.

Page 5, line 25, delete "(c)" and insert "(d)".

Page 5, between lines 30 and 31, begin a new paragraph and insert:
"SECTION 8. IC 20-19-2-16, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The state accepts the provisions and benefits of laws enacted by the Congress of the United States that provide for aid to children with disabilities.

(b) The state board is designated as the proper authority and may accept any federal funds appropriated to aid in the education of children with disabilities. The state board shall comply with all the requirements of:

(1) federal law concerning any federal funds relating to special educational activities; and

(2) any amendments to those laws or rules and regulations issued under and in conformity with those laws and not inconsistent with this chapter.

(c) The state board is primarily responsible for assuring that applications for obtaining and renewing necessary flexibility



waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law are timely filed, the appropriate federal agencies have the documentation and other information needed to grant the flexibility waivers, and that the applications comply with the educational policies of the state board. The superintendent of public instruction and the department, under the direction of the state board, shall carry out the work necessary to obtain and renew necessary flexibility waivers."

Page 5, line 36, after "under" insert "IC 20-19-2-14.5,".

Page 6, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 10. IC 20-19-4-11, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) In making recommendations under section 10 of this chapter, the roundtable shall consider

(1) a variety of available ~~national and international~~ **nationally recognized** assessments and tests. **The roundtable may not delegate to any higher authority the responsibility of recommending assessments or tests.**

(b) **The roundtable may not consider or recommend any of the following:**

(1) The development of an assessment or a test unique to Indiana. ~~and~~

(2) ~~any combination of assessments or tests described under subdivisions (1) and (2).~~

(2) **An assessment or test that does not assess student progress toward mastery of Indiana academic standards adopted or proposed by the state board.**

(3) **An assessment or a test that adopts Common Core (Common Core State Standards Initiative).**

(4) **An assessment or test that would prevent the state from obtaining, would terminate, or would prevent renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law.**

SECTION 11. IC 20-19-4-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 12: ~~In making recommendations under section 10 of~~



this chapter; the roundtable shall recommend to the state board only state tests that when appropriate:

- (1) present the content of each test in an interdisciplinary manner; and
- (2) provide each student with the opportunity to meet the academic standards in an applied manner."

Page 11, line 22, delete "for school years ending".

Page 11, line 23, delete "before July 1, 2015,".

Page 14, line 1, delete "for school years ending before July 1, 2015,".

Page 33, line 8, delete "2016)," and insert "**2016)**;".

Page 33, line 8, strike "if an alternative locally adopted".

Page 33, strike line 9.

Page 33, line 10, strike "chapter;".

Page 33, line 11, after "concerning" insert "**the BEST program.**".

Page 33, delete lines 12 through 14.

Page 38, line 25, delete "placement" and insert "**placement, dual credit,**".

Page 48, between lines 7 and 8, begin a new paragraph and insert:

"(b) After June 30, 2015, it is unlawful for a school employer to enter into any agreement that would prohibit the employer from reducing expenditures that otherwise would be required under a contract to eliminate any actual deficit in funding if the employer's:

- (1) actual general fund revenue for a school year is less than the employer's revenues calculated based on the initial fall count of ADM determined for the employer under IC 20-43-4-3 for the school year; or**
- (2) actual employer's expenditures payable from general fund revenues exceed the employer's revenues calculated based on the initial fall count of ADM determined for the employer under IC 20-43-4-3 for the school year.**

The contract may include provisions on how any deficit would be allocated to wages and salaries that are bargainable under the contract. The contract may also include provisions on how any surplus in general fund revenues would be allocated among wages and salaries bargainable under the contract."

Page 48, line 8, strike "(b)" and insert "(c)".

Page 48, line 8, after "financing" insert "**or violates subsection (b)**".

Page 49, line 36, delete "(D)", begin a new line block indented and insert:

"(12)".



Page 49, line 38, delete "(E)", begin a new line block indented and insert:

"(13)".

Page 50, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 50. IC 20-29-6-15.1, AS ADDED BY P.L.229-2011, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.1. (a) If an agreement has not been reached on the items permitted to be bargained collectively under section 4 of this chapter, within fifteen (15) days after mediation under section 13 of this chapter has ended, the board shall initiate factfinding.

(b) Factfinding must culminate in the factfinder imposing contract terms on the parties. The factfinder must select one (1) party's last best offer as the contract terms. The factfinder's order must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing (as defined in IC 20-29-2-6) **or violate IC 20-29-6-3(b)**. The factfinder's order may not impose terms beyond those proposed by the parties in their last, best offers.

(c) Costs for the factfinder shall be borne equally by the parties.

(d) Factfinding may not last longer than fifteen (15) days."

Page 50, line 40, delete "financing." and insert "financing".

Page 51, line 1, after "revenue." insert "**or prohibit the employer from making reductions described in IC 20-29-6-3(b)**".

Page 51, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 52. IC 20-29-6-18, AS AMENDED BY P.L.6-2012, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Either party may appeal the decision of the factfinder under IC 20-29-6-15.1. The appeal must be filed not later than thirty (30) days after receiving the factfinder's decision.

(b) The board's decision must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing, as defined in IC 20-29-2-6 **or prohibit the employer from making any reductions described in section 3(b) of this chapter**. The board's decision may not impose terms beyond those proposed by the parties in their last, best offers.

(c) The board must rule on the appeal within thirty (30) days after receipt of notice of appeal.

SECTION 53. IC 20-29-8-8, AS AMENDED BY P.L.48-2011,



SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. In conducting hearings and investigations, the factfinder is not bound by IC 4-21.5. The factfinder shall, however, consider the following factors:

- (1) Past memoranda of agreements and contracts between the parties.
- (2) Comparisons of wages and hours of the employees involved with wages of other employees working for other public agencies and private concerns doing comparable work, giving consideration to factors peculiar to the school corporation.
- (3) The public interest.
- (4) The financial impact on the school corporation and whether any settlement will cause the school corporation to engage in deficit financing as described in IC 20-29-6-3 **or prohibit the school corporation from making any reductions described in IC 20-29-6-3(b).**"

Page 53, delete lines 16 through 21, begin a new paragraph and insert:

"(c) For school years beginning after June 30, 2016, the content of a nationally recognized assessment approved by the state board under IC 20-32-5.1 must align with Indiana academic standards adopted by the state board. The state board may not adopt Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of setting academic standards."

Page 58, line 29, delete "and norm referenced".

Page 58, line 32, after "2." insert **"(a)"**.

Page 58, between lines 34 and 35, begin a new paragraph and insert:

"(b) The state board shall determine the content and format of the BEST program and the tests, including assessments, used in the BEST program. The superintendent of public instruction and the department, under the direction of the state board, shall carry out the work necessary to carry out this chapter.

(c) The state board shall select tests for the BEST program that are nationally recognized assessment tests.

(d) The content of a nationally recognized assessment test approved by the state board under this chapter must align with Indiana academic standards adopted by the state board, including standards adopted under the following:

- (1) IC 20-19-2-14.5.**
- (2) IC 20-31-3.**
- (3) IC 20-32-4.**



(4) The assessment program established under IC 20-31-8.

(e) The state board may not consider or adopt any of the following:

(1) An assessment or a test that is developed for and is unique to Indiana.

(2) An assessment or a test that adopts Common Core (Common Core State Standards Initiative) or delegates to any higher authority the responsibility of selecting tests or implementing testing.

(3) An assessment or a test that would prevent the state from obtaining, would terminate, or prevent renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law.

Sec. 3. (a) Before:

(1) selecting one (1) or more vendors or changing one (1) or more vendors to provide tests for the BEST program; or

(2) selecting the format or changing the format for tests provided by a vendor;

the state board shall comply with the minimum procedures in this section. The state board may supplement the minimum procedures in this section by consulting citizen groups and taking other additional actions to fully consider the issues related to establishing a BEST program based on Indiana academic standards.

(b) The state board shall consider a variety of available nationally recognized assessments and tests and adopt a request for proposals that meets the requirements of this chapter. The department shall carry out the work necessary, under the direction of the state board, in preparing the request for proposals. The department shall submit the request for proposals to the roundtable for review. The state board shall consider any recommendations made by the roundtable and, if a recommendation is not adopted, specify in a writing adopted by the state board the reasons why the recommendation was not adopted.

(c) The state board shall submit the responses to the request for proposals to the roundtable for review and recommendations. After receiving the recommendations of the roundtable, the state board shall:

(1) provisionally select a vendor and the tests to be used in the



BEST program;

(2) provisionally adopt any necessary modifications in Indiana academic standards to bring the recommended tests into alignment with Indiana academic standards;

(3) conduct at least three (3) public hearings on the provisional determinations of the state board under subdivisions (1) and (2), with one (1) public hearing at a location in northern Indiana, one (1) public hearing at a location in central Indiana, and one (1) public hearing at a location in southern Indiana;

(4) submit the determinations under subdivisions (1) and (2), as revised after the public hearings conducted under subdivision (3), to the budget committee for review; and

(5) after considering any recommendations made by the budget committee, finally select a vendor and the tests to be used in the BEST program.

(d) The state board may carry out the procedures in this section as part of a rulemaking action under IC 4-22-2 or an emergency rulemaking action under IC 4-22-2-37.1."

Page 58, line 35, delete "3." and insert "4."

Page 58, between lines 41 and 42, begin a new line blocked left and insert:

"The BEST program tests must include a reading component that is administered in grade 3."

Page 58, delete line 42.

Page 59, delete lines 1 through 8.

Page 59, delete lines 25 through 27.

Page 62, delete lines 29 through 32.

Page 64, line 21, delete "Before July 1, 2015, receiving" and insert "Receiving".

Page 64, line 34, reset in roman "(1)".

Page 64, reset in roman lines 36 through 39.

Page 65, line 2, delete "means: either:" and insert "means either:".

Page 65, line 4, after "applicable;" insert "or".

Page 65, reset in roman line 5.

Page 65, delete lines 6 through 9.

Page 65, line 12, delete "For purposes of".

Page 65, delete lines 13 through 15.

Page 66, line 20, after "effective." insert **"The lead school corporation administering a cooperative or other special education program or career and technical education program, including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37, or**



IC 36-1-7, shall award performance stipends to and carry out the other responsibilities of an employing school corporation under this section for the teachers in the special education program or career and technical education program."

Page 66, line 29, after "addition," insert **"an amount determined under the policies adopted by the governing body but not exceeding"**.

Page 66, line 35, delete "bargaining" and insert **"bargaining, is payable from funds other than the performance grant,"**.

Page 66, line 37, delete "distribute" and insert **"complete the appropriation process for"**.

Page 66, line 40, delete "corporation." and insert **"corporation and distribute all stipends from a performance grant to individual teachers before the immediately following January 31."**

Page 69, line 12, delete "and".

Page 69, line 13, delete "norm referenced".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 566 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 3.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 27, strike "2014,".

Page 4, line 27, delete "the" and insert **"The"**.

Page 4, line 28, after "standards" insert ".".

Page 4, line 28, strike "voiding the previously".

Page 4, line 29, strike "adopted set of educational standards.".

Page 5, line 17, after "." insert **"The state board may not adopt Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of setting academic standards."**

Page 6, delete lines 31 through 32 and insert **"recommend**

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Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of recommending academic standards."

Page 39, between lines 1 and 2, begin a new paragraph and insert:
 "SECTION 32. IC 20-28-7.5-1, AS AMENDED BY P.L.286-2013, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) This chapter applies to a teacher in a school corporation (as defined in IC 20-18-2-16(a)).

(b) A principal may decline to continue a probationary teacher's contract under sections 2 through 4 of this chapter if the probationary teacher:

- (1) receives an ineffective designation on a performance evaluation under IC 20-28-11.5;
- (2) receives two (2) consecutive improvement necessary ratings on a performance evaluation under IC 20-28-11.5; or
- (3) is subject to a justifiable decrease in the number of teaching positions or any reason relevant to the school corporation's interest.

(c) Except as provided in subsection (e), a principal may not decline to continue a professional or established teacher's contract unless the teacher is subject to a justifiable decrease in the number of teaching positions.

(d) After June 30, 2012, the cancellation of teacher's contracts due to a justifiable decrease in the number of teaching positions shall be determined on the basis of performance rather than seniority. In cases where teachers are placed in the same performance category, any of the items in IC 20-28-9-1.5(b) may be considered.

(e) A contract with a teacher may be canceled immediately in the manner set forth in sections 2 through 4 of this chapter for any of the following reasons:

- (1) Immorality.
- (2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules adopted for the governance of the school building or the school corporation.
- (3) Justifiable decrease in the number of teaching positions.
- (4) Incompetence, including receiving:
 - (A) an ineffective designation on two (2) consecutive performance evaluations under IC 20-28-11.5; or
 - (B) an ineffective designation or improvement necessary rating in three (3) years of any five (5) year period.
- (5) Neglect of duty.
- (6) A conviction for an offense listed in IC 20-28-5-8(c).



(7) Other good or just cause.

(f) A principal may decline to continue or cancel the contract only of a teacher who is supervised by the principal.

SECTION 33. IC 20-28-8-3, AS AMENDED BY P.L.253-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Before March 1 of the year during which the contract of an assistant superintendent, a principal, or an assistant principal is due to expire, the governing body of the school corporation, or an **employee attorney acting** at the direction of the governing body, shall give written notice of renewal or refusal to renew the individual's contract for the ensuing school year.

(b) If notice is not given before March 1 of the year during which the contract is due to expire, the contract then in force shall be reinstated only for the ensuing school year.

(c) This section does not prevent the modification or termination of a contract by mutual agreement of the assistant superintendent, the principal, or the assistant principal and the governing body."

Page 40, line 30, delete "shall" and insert "**may**".

Page 44, between lines 16 and 17, begin a new paragraph and insert:

"(d) In developing a performance evaluation model, a school corporation shall consider the following:

- (1) Test scores of students (both formative and summative).**
- (2) Classroom presentation observations.**
- (3) Observation of student-teacher interaction.**
- (4) Knowledge of subject matter.**
- (5) Dedication and effectiveness of the teacher through time and effort on task.**
- (6) Contributions of teachers through group teacher interactivity in fulfilling the school improvement plan.**
- (7) Cooperation of the teacher with supervisors and peers.**
- (8) Extracurricular contributions of the teacher.**
- (9) Outside performance evaluations.**
- (10) Compliance with school corporation rules and procedures.**
- (11) Other items considered important by the school corporation in developing each student to their maximum intellectual potential and performance.**

The state board and the department may recommend additional factors, but may not require additional factors unless directed to do so by the general assembly."

Page 44, line 17, delete "(d)" and insert "(e)".



Page 44, line 22, after "." insert **"Before explaining the plan to the governing body, the superintendent of the school corporation shall discuss the plan with teachers or the teachers' representative, if there is one. This discussion is not subject to the open door law (IC 5-14-1.5). The plan is not subject to bargaining, but a discussion of the plan must be held."**

Page 44, line 23, delete "(e)" and insert "(f)".

Page 45, between lines 8 and 9, begin and new paragraph and insert:
"SECTION 41. IC 20-28-11.5-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. A plan for performance evaluations under this chapter may be discussed, but is not subject to bargaining. Selection of a performance evaluation model is at the discretion of the school corporation, but the developed plan must be reported to the department and the Indiana education employment relations board in a timely manner, as established by the department. The department may review the plan for efficacy and the Indiana education employment relations board may review the plan for legality, and both may comment to the school corporation. The department shall annually present to the state board of education plans selected by the school corporations. The state board may recommend model plans to school corporations, but shall not mandate any plan."

Page 45, line 17, after "." insert **"Before presentation to the governing body, the superintendent of the school corporation shall discuss the report of completed evaluations with the teachers. This discussion is not subject to the open door law (IC 5-14-1.5). The report of completed evaluations is not subject to bargaining, but a discussion of the report must be held."**

Page 47, delete lines 29 through 36, begin an new paragraph and insert:

"SECTION 43. IC 20-29-3-11, AS ADDED BY P.L.1-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The board has the following powers:

- (1) To adopt an official seal and prescribe the purposes for which the seal may be used.
- (2) To hold hearings and make inquiries as the board considers necessary to carry out properly the board's functions and powers.
- (3) To establish a principal office in Indianapolis.
- (4) To meet and exercise the board's powers at any other place in Indiana.
- (5) To conduct in any part of Indiana a proceeding, a hearing, an



investigation, an inquiry, or an election necessary to the performance of the board's functions. For this purpose, the board may designate one (1) member, or an agent or agents, as hearing examiners. The board may use voluntary and uncompensated services as needed.

(6) To appoint staff and attorneys as the board finds necessary for the proper performance of its duties. The attorneys appointed under this section may, at the direction of the board, appear for and represent the board in court.

(7) To pay the reasonable and necessary traveling and other expenses of an employee, a member, or an agent of the board.

(8) To subpoena witnesses and issue subpoenas requiring the production of books, papers, records, and documents that may be needed as evidence in any matter under inquiry, and to administer oaths and affirmations. In cases of neglect or refusal to obey a subpoena issued to a person, the circuit or superior court of the county in which the investigations or the public hearings are taking place, upon application by the board, shall issue an order requiring the person to:

(A) appear before the board; and

(B) produce evidence about the matter under investigation.

A failure to obey the order may be punished by the court as a contempt. A subpoena, notice of hearing, or other process of the board issued under this chapter shall be served in the manner prescribed by the Indiana Rules of Trial Procedure.

(9) To adopt, amend, or rescind rules the board considers necessary and administratively feasible to carry out this chapter under IC 4-22-2.

(10) To request from any public agency the assistance, services, and data that will enable the board properly to carry out the board's functions and powers.

(11) To publish and report in full an opinion in every case decided by the board.

(12) To review a collective bargaining agreement as provided in section 15 of this chapter."

Page 47, line 39, after "The" insert **"Indiana education employment relations"**.

Page 47, line 40, delete "provide for a factfinder to".

Page 48, line 4, delete "factfinder" and insert **"Indiana education employment relations board"**.

Page 48, line 7, delete "factfinder" and insert **"Indiana education employment relations board"**.



Page 48, line 12, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 13, delete "factfinder," and insert "**Indiana education employment relations board,**".

Page 48, line 13, after "the" insert "**Indiana education employment relations**".

Page 48, line 22, delete "factfinder's" and insert "**Indiana education employment relations board's**".

Page 48, line 24, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 25, delete "factfinder's" and insert "**Indiana education employment relations board's**".

Page 48, line 31, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 34, after "The" insert "**Indiana education employment relations**".

Page 48, line 34, delete "factfinder" and insert "**member of the Indiana education employment relations board ad hoc panel**".

Page 48, line 37, delete "by the factfinder." and insert "**by the Indiana education employment relations board.**".

Page 48, line 37, after "The" delete "factfinder" and insert "**member of the Indiana education employment relations board ad hoc panel**".

Page 48, line 39, delete "factfinding must" and insert "**review must**".

Page 48, line 39, after "the" delete "factfinding" and insert "**review**".

Page 48, line 39, strike "the factfinding".

Page 49, line 1, delete "Costs for the".

Page 49, delete lines 2 through 3.

Page 60, between lines 37 and 38, begin a new paragraph and insert:
 "SECTION 64. IC 20-31-8-3, AS AMENDED BY P.L.286-2013, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. **(a)** The state board shall establish a number of categories, using an "A" through "F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school.

(b) This subsection applies only to a school with a low student population when compared to the average size of the student population at all schools in Indiana. An earned letter grade on the "A" through "F" grading scale shall be given for all schools, including schools with a low student population to which this subsection applies. A school to which this subsection applies may



appeal a designation under subsection (a) to the state board based on the insufficient size of the test group needed to determine an accurate result for each grade completing the assessment."

Page 70, line 10, after "If the" insert ":

(1)".

Page 70, line 23, delete "." and insert "; and

(2) total amount to be distributed as performance grants for a particular state fiscal year is less than the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations for that particular state fiscal year shall be proportionately increased so that the total amount to be distributed equals the amount of the appropriation for that particular state fiscal year."

Page 70, line 23, beginning with "The" begin a new line blocked left.

Page 70, line 25, after "pay" insert "**a one-time**".

Page 70, line 26, after "highly effective" delete "." and insert "**and employed by the school corporation as of December 1."**

Page 70, line 39, after "teacher" delete "." and insert "**and may differentiate between school buildings."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 566 as printed February 13, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 2.

SENATE MOTION

Madam President: I move that Senate Bill 566 be amended to read as follows:

Replace the effective dates in SECTIONS 49 through 50 with "[EFFECTIVE UPON PASSAGE]".

Page 4, line 27, reset in roman "The".

Page 5, line 18, after "or" insert "**an assessment or test that is produced solely by the United States government or a consortium of states."**

Page 5, delete lines 19 through 20.

Page 5, line 41, delete "is primarily responsible for assuring" and

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insert **"shall ensure"**.

Page 6, line 16, after "following" delete ":" and insert ", **based on presentations from the department:**".

Page 6, line 35, delete "delegate to any higher authority the" and insert **"recommend academic standards that are produced solely by the United States government or a consortium of states."**.

Page 6, delete line 36.

Page 6, line 39, delete "(1)".

Page 6, line 39, strike "The development of an assessment or".

Page 6, line 39, delete "a".

Page 6, line 39, strike "test unique to".

Page 6, line 40, strike "Indiana".

Page 7, line 1, delete "(2)" and insert **"(1)"**.

Page 7, line 4, delete "(3)" and insert **"(2)"**.

Page 7, line 5, delete "." and insert **"or an assessment or test that is produced solely by the United States government or a consortium of states."**.

Page 7, delete lines 6 through 13, begin a new paragraph and insert:

"(c) The roundtable shall consider assessments or tests that would permit the state to secure renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law."

Page 41, line 13, delete "and" and insert ", **but a discussion of the supplement must be held. Such a supplement**".

Page 52, line 3, delete "a" and insert **"the"**.

Page 52, line 23, delete "brings" and insert **"bring"**.

Page 52, delete lines 27 through 42.

Page 53, delete lines 1 through 19.

Page 55, delete lines 33 through 42.

Page 56, delete lines 1 through 8.

Page 56, line 25, reset in roman "due to a".

Page 56, reset in roman lines 26 through 27.

Page 56, line 28, reset in roman "current year actual general fund revenue."

Page 56, line 28, delete "or prohibit the employer".

Page 56, delete line 29.

Page 57, delete lines 10 through 26.

Page 59, line 38, after "or" insert **"an assessment or test that is produced solely by the United States government or a consortium**



of states."

Page 59, delete lines 39 through 40.

Page 65, line 24, delete "to any higher".

Page 65, line 25, delete "authority".

Page 65, line 32, after "are" insert "**considered**".

Page 65, line 41, delete "any of the" and insert "**an assessment or a test that adopts Common Core (Common Core State Standards Initiative) or an assessment or test produced solely by the United States government or a consortium of states.**

(f) The state board shall consider assessments or tests that would permit the state to secure renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law."

Page 65, delete line 42.

Page 66, delete lines 1 through 14.

Page 67, line 7, after "Indiana;" insert "**and**".

Page 67, line 10, delete "and".

Page 67, delete lines 11 through 13, begin a new line blocked left and insert:

"before finally selecting a vendor and the tests to be used in the BEST program."

Page 72, line 42, after "a" insert ":".

Page 74, line 31, delete "a".

Page 74, line 34, after "corporation" insert "**or interlocal cooperative**".

Page 74, line 35, after "or" insert "**administering a**".

Renumber all SECTIONS consecutively.

(Reference is to SB 566 as printed February 20, 2015.)

MISHLER



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 566, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 4-6-2-1.5, AS AMENDED BY P.L.121-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1.5. (a) Whenever any state governmental official or employee, whether elected or appointed, is made a party to a suit, and the attorney general determines that said suit has arisen out of an act which such official or employee in good faith believed to be within the scope of the official's or employee's duties as prescribed by statute or duly adopted regulation, the attorney general shall defend such person throughout such action.

(b) Whenever a teacher (as defined in IC 20-18-2-22) is made a party to a civil suit, and the attorney general determines that the suit has arisen out of an act that the teacher in good faith believed was within the scope of the teacher's duties in enforcing discipline policies developed under IC 20-33-8-12, the attorney general shall defend the teacher throughout the action.

~~(c) Not later than August 15 of each year:~~

~~(1) the attorney general shall draft; and~~

~~(2) the state superintendent of public instruction shall disseminate in:~~

~~(A) written;~~

~~(B) electronic; or~~

~~(C) other;~~

~~form;~~

~~a notice to each teacher concerning the teacher's qualified immunity under IC 20-33-8-8(b)(3) and rights under this section.~~

(c) Not later than July 30 of each year, the attorney general, in consultation with the Indiana education employment relations board established in IC 20-29-3-1, shall draft and disseminate a letter by first class mail to the residence of teachers providing a summary of the teacher's rights and protections under state and federal law, including a teacher's rights and protections relating to the teacher's performance evaluation under IC 20-28-11.5.

(d) The department of education, in consultation with the Indiana education employment relations board, shall develop a method to provide the attorney general with the names and addresses of active teachers in Indiana in order for the attorney



general to disseminate the letter described in subsection (c). Names and addresses collected and provided to the attorney general under this subsection are confidential and excepted from public disclosure as provided in IC 5-14-3-4.

~~(d)~~ **(e)** Whenever a school corporation (as defined in IC 20-26-2-4) is made a party to a civil suit and the attorney general determines that the suit has arisen out of an act authorized under IC 20-30-5-0.5 or IC 20-30-5-4.5, the attorney general shall defend the school corporation throughout the action.

~~(e)~~ **(f)** A determination by the attorney general under subsection (a), (b), or (d) shall not be admitted as evidence in the trial of any such civil action for damages.

~~(f)~~ **(g)** Nothing in this chapter shall be construed to deprive any such person of the person's right to select counsel of the person's own choice at the person's own expense."

Delete pages 2 through 3.

Page 4, delete lines 1 through 15.

Page 6, delete lines 12 through 27.

Page 7, delete lines 16 through 42.

Delete pages 8 through 17.

Page 18, delete lines 1 through 23.

Page 19, line 18, delete ";".

Page 19, delete line 19.

Page 19, line 21, delete ", except a" and insert ".".

Page 19, delete line 22.

Page 19, line 34, delete "IC 20-25.5-5" and insert "**IC 20-25.7-4**".

Page 22, delete lines 40 through 42, begin a new line block indented and insert:

"(2) IC 20-28-11.5 (staff performance evaluations).

(3) IC 20-31-9 (school accountability and consequences)."

Page 23, delete line 1.

Page 31, delete lines 6 through 42.

Delete pages 32 through 36.

Page 37, delete lines 1 through 33.

Page 40, delete lines 21 through 33.

Page 41, line 10, delete ":".

Page 41, delete line 11.

Page 41, line 12, delete "(2)".

Page 41, line 12, delete "an advance placement,".

Page 41, line 13, delete "dual" and insert "**a dual**".

Page 41, line 13, after "credit" delete ",".

Page 41, run in lines 10 through 14.



Page 44, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 40. IC 20-28-11.5-4, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) Each school corporation shall develop a plan for annual performance evaluations for each certificated employee (as defined in IC 20-29-2-4). A school corporation shall implement the plan beginning with the 2012-2013 school year.

(b) Notwithstanding IC 20-29-6-7, each school corporation shall consider suggestions from any certificated employee of the school corporation when developing a plan under subsection (a).

~~(b)~~ (c) Instead of developing its own staff performance evaluation plan under subsection (a), a school corporation may adopt a staff performance evaluation plan that meets the requirements set forth in this chapter or any of the following models:

- (1) A plan using master teachers or contracting with an outside vendor to provide master teachers.
- (2) The System for Teacher and Student Advancement (TAP).
- (3) The Peer Assistance and Review Teacher Evaluation System (PAR).

~~(c)~~ (d) A plan must include the following components:

- (1) Performance evaluations for all certificated employees, conducted at least annually.
- (2) Objective measures of student achievement and growth to significantly inform the evaluation. The objective measures must include:
 - (A) student assessment results from statewide assessments for certificated employees whose responsibilities include instruction in subjects measured in statewide assessments;
 - (B) methods for assessing student growth for certificated employees who do not teach in areas measured by statewide assessments; and
 - (C) student assessment results from locally developed assessments and other test measures for certificated employees whose responsibilities may or may not include instruction in subjects and areas measured by statewide assessments.
- (3) Rigorous measures of effectiveness, including observations and other performance indicators.
- (4) An annual designation of each certificated employee in one
 - (1) of the following rating categories:
 - (A) Highly effective.
 - (B) Effective.



(C) Improvement necessary.

(D) Ineffective.

(5) An explanation of the evaluator's recommendations for improvement, and the time in which improvement is expected.

(6) A provision that a teacher who negatively affects student achievement and growth cannot receive a rating of highly effective or effective.

~~(d)~~ (e) The evaluator shall discuss the evaluation with the certificated employee.

(f) Each school corporation shall post on the school corporation's Internet web site a copy of the school corporation's plan developed or adopted under this section."

Delete pages 45 through 51.

Page 52, delete lines 1 through 29.

Page 53, line 2, delete ", or any performance stipend or addition to base salary based" and insert ".".

Page 53, delete lines 3 through 4.

Page 53, line 27, delete "and" and insert ".".

Page 53, delete line 28.

Page 53, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 3. IC 20-29-6-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 6.1. (a) After ratification of a contract under section 6 of this chapter, a school employer shall submit the ratified collective bargaining agreement, including the compensation model developed under IC 20-28-9-1.5, to the board.**

(b) The board shall appoint a staff member or an ad hoc panel member to review each submitted collective bargaining agreement and to make a written recommendation concerning the collective bargaining agreement's compliance with this chapter, including a penalty for any noncompliance. The review must be completed before March 30 of the year in which the current collective bargaining agreement expires unless the review period is extended by the board for good cause.

(c) Not later than fifteen (15) days after a recommendation has been made under subsection (b), one (1) or both parties to a collective bargaining agreement may appeal to the board, in writing, the decision made in the recommendation. If the board does not receive an appeal not later than fifteen (15) days after issuing a recommendation, the recommendation becomes the final order of the board.

(d) If the board receives a timely appeal, the board may make



a decision on the recommendation with or without oral argument. The board may request that the parties submit briefs. The board must issue a ruling on the appeal not later than thirty (30) days after the last of the following occurs:

- (1) The appeal is received.
- (2) Briefs are received.
- (3) Oral arguments are held.

(e) IC 4-21.5 does not apply to a review under subsection (b) or (d).

(f) If, following the review of a collective bargaining agreement, the board finds the collective bargaining agreement does not comply with this chapter, the board shall issue an order that may include one (1) or more of the following items:

- (1) Ordering the parties to cease and desist from all identified areas of noncompliance.
- (2) Preventing the parties from ratifying any subsequent collective bargaining agreements until the parties receive written approval from the board or the board's agent.
- (4) Requiring other action as deemed appropriate by the board as authorized by state law.

(g) The board may send the board's compliance findings to other state agencies as necessary.

(h) After a school employer has submitted a collective bargaining agreement under subsection (a), the school employer and an exclusive representative may not enter into a new collective bargaining agreement containing the noncompliant provision until the school employer has received either:

- (1) the board's order regarding the compliance of the submitted collective bargaining agreement with this chapter;
or
- (2) other written approval from the board or an agent of the board.

(i) If any provision of the collective bargaining agreement is found not to be compliant with this chapter, the provision that is found to be noncompliant with this chapter shall not affect other provisions of the collective bargaining agreement that can be given effect without the noncompliant provision, and to this end the provisions of collective bargaining agreement are severable.

(j) The board:

- (1) shall adopt rules under IC 4-22; and
- (2) may adopt emergency rules in the manner provided under IC 4-22-2-37.1;



as necessary to implement this section."

Page 53, delete lines 32 through 42.

Page 54, delete lines 1 through 25.

Page 54, delete line 42, begin a new paragraph and insert:

"SECTION 52 IC 20-29-6-15.1, AS ADDED BY P.L.229-2011, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 15.1. (a) If an agreement has not been reached on the items permitted to be bargained collectively under section 4 of this chapter, within fifteen (15) days after mediation under section 13 of this chapter has ended, the board shall initiate factfinding.

(b) Factfinding must culminate in the factfinder imposing contract terms on the parties. The factfinder must select one (1) party's last best offer as the contract terms. The factfinder's order must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing (as defined in IC 20-29-2-6). The factfinder's order may not impose terms beyond those proposed by the parties in their last, best offers.

(c) Costs for the factfinder shall be borne equally by the parties.

(d) Factfinding may not last longer than ~~fifteen (15)~~ **thirty (30)** days.

SECTION 53. IC 20-29-6-18, AS AMENDED BY P.L.6-2012, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 18. (a) Either party may appeal the decision of the factfinder under IC 20-29-6-15.1. The appeal must be filed not later than thirty (30) days after receiving the factfinder's decision.

(b) The board's decision must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing, as defined in IC 20-29-2-6. The board's decision may not impose terms beyond those proposed by the parties in their last, best offers.

(c) The board must rule on the appeal within ~~thirty (30)~~ **sixty (60)** days after receipt of notice of appeal.

SECTION 54. IC 20-29-8-7, AS AMENDED BY P.L.229-2011, SECTION 183, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder. ~~from the staff or panel established under section 6 of this chapter.~~

(b) The factfinder shall make an investigation and hold hearings as



the factfinder considers necessary in connection with a dispute.

(c) The factfinder:

- (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;
- (2) must restrict the findings to the items listed in IC 20-29-6-4; and
- (3) may not impose terms beyond those proposed by the parties in their last, best offers.

(d) The factfinder may use evidence furnished to the factfinder by:

- (1) the parties;
- (2) the board;
- (3) the board's staff; or
- (4) any other state agency.

(e) The factfinder shall conduct the factfinding hearing in public in a room or facility owned by the county or local unit of government located in the county in which the school employer is located, or if the school employer is located in more than one (1) county, in the county in which the greatest number of students who attend the school employer's schools reside. The public hearing may begin not earlier than October 1 in the first year of the state budget biennium and must be concluded by ~~December 31~~ **February 1** of the ~~same~~ year **following the commencement of bargaining.**

(f) The factfinding process may not exceed ~~fifteen (15)~~ **thirty (30)** days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only general operating funds and those funds certified by the department of education and the department of local government finance may be considered as a source of the funding for items, unless the school funding formula allows other funds to be used for certain items.

(g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(h) The factfinder shall:

- (1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and
- (2) deliver the findings to the parties and to the board.

(i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

- (1) the report; or
- (2) the board's own possession.



The board may not make any recommendations to the parties related to any items not specifically identified in IC 20-29-6-4.

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board."

Delete pages 55 through 56.

Page 57, delete lines 1 through 30.

Page 58, line 2, delete "for school years ending before July 1,".

Page 58, line 3, delete "2016,".

Page 58, line 3, after "program" insert ",".

Page 58, line 3, delete "and for school years beginning after".

Page 58, line 4, delete "June 30, 2016, under the BEST program,".

Page 58, line 5, delete ", for school years ending before July 1, 2016,".

Page 58, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 57. IC 20-31-8-3, AS AMENDED BY P.L.286-2013, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. **(a)** The state board shall establish a number of categories, using an "A" through "F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school.

(b) The state board, in consultation with the department, shall define "low population schools" and shall determine the criteria for placing low population schools in categories established under subsection (a). In setting the definition and criteria for low population schools, the state board shall not penalize schools based on population. The state board's definition and criteria may include the placement of a school that fits the state board's definition in a "null" or "no letter grade" category.

SECTION 58. IC 20-39-1-1, AS AMENDED BY P.L.280-2013, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. **(a) Except as provided in subsection (b), all public school governing bodies, except a charter school organizer, shall adopt and fully and accurately implement a single, unified accounting**



system as prescribed by the state board and the state board of accounts.

(b) After June 30, 2015, all public school governing bodies, except a charter school organizer, may adopt an accounting system and budget system as provided in IC 20-26-15-6(3). If a governing body elects to establish an accounting or budget system under this subsection that does not use consistently applied United States generally accepted accounting principles (GAAP) as developed by the Governmental Accounting Standards Board, the governing body's proposed accounting system must be approved by the state board of accounts. The governing body shall request approval of an accounting system under this section in a manner prescribed by the state board of accounts. If a governing body elects to establish an accounting system under this subsection, the governing body must transition to the new accounting system and the state board of accounts may not initiate an audit of the school corporation within nine (9) calendar months after the later of:

- (1) the date the governing body elects to change accounting systems under this subsection; or**
- (2) the date the state board of accounts approves an accounting system under this subsection.**

However, the state board of accounts may include the transition period in an audit initiated within nine (9) calendar months after the later of the date described in subdivision (1) or (2).

SECTION 59. IC 20-51-4-7, AS AMENDED BY P.L.211-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) The department shall administer this chapter.

(b) The department shall approve an application for an eligible school within fifteen (15) days after the date the school requests to participate in the choice scholarship program.

(c) The department shall approve an application for a choice scholarship student within fifteen (15) days after the date the student requests to participate in the choice scholarship program.

(d) Each year, at a minimum, the department shall accept applications from March 1 through September 1 for:

- (1) choice scholarship students; or
- (2) eligible schools;

for the upcoming school year.

(e) This chapter may not be construed in a manner that would impose additional requirements for approving an application for an eligible school placed in a "null" or "no letter grade" category established under IC 20-31-8-3(b).



(f) The department shall adopt rules under IC 4-22-2 to implement this chapter.

(g) The department may adopt emergency rules under IC 4-22-2-37.1 to implement this chapter.

SECTION 60. [EFFECTIVE JULY 1, 2015] (a) **The definitions used in IC 20 apply throughout this SECTION.**

(b) **As used in this SECTION, "committee" refers to the education study committee established by IC 2-5-1.3-4.**

(c) **The general assembly urges the legislative council to assign to the committee the task of studying whether:**

(1) **the ISTEP program should be replaced with an alternative statewide assessment; and**

(2) **formal collective bargaining between a school corporation and the exclusive representative may begin before August 1 of a particular year.**

(d) **The committee shall issue to the legislative council a final report containing the committee's findings and recommendations, including any recommended legislation concerning the topic, in an electronic format under IC 5-14-6 not later than November 1, 2015.**

(e) **This SECTION expires January 1, 2016."**

Delete pages 59 through 75.

Page 76, delete lines 1 through 9.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 566 as reprinted February 24, 2015.)

BROWN T

Committee Vote: yeas 14, nays 7.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 566 be amended to read as follows:

Page 21, line 3, after "to" delete "a" and insert **"the subject matter of:**

(1) a".

Page 21, line 4, delete "a" and insert **"course; or**

(2)".

Page 21, line 4, delete "other course" and insert **"another course;"**.

Page 21, line 4, beginning with "taught" begin a new line blocked

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left.

Page 26, line 32, delete "unless the review period is extended" and insert ".".

Page 26, delete line 33.

Page 27, line 18, delete "(4)" and insert "(3)".

Page 31, line 8, after "population." insert " **An eligible school (as defined in IC 20-51-1-4.7) may not be penalized under IC 20-51-4-9 for the sole reason that the eligible school is considered a low population school under this subsection.**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 566 as printed April 10, 2015.)

BROWN T

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 566 be amended to read as follows:

Page 31, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 7. IC 20-43-1-1, AS AMENDED BY P.L.205-2013, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2015]: Sec. 1. This article expires ~~July 1, 2015~~ **July 1, 2017**.

SECTION 8. IC 20-43-4-2, AS AMENDED BY P.L.205-2013, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) A school corporation's ADM is the number of eligible pupils enrolled in:

- (1) the school corporation; or
- (2) a transferee corporation;

on the days fixed in September and in February by the state board for a count of students under section 3 of this chapter and as subsequently adjusted not later than the date specified under the rules adopted by the state board. The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. **The state board shall adjust a school corporation's count of students as provided in section 3.5 of this chapter.** In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school ~~corporation~~ **corporation** if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment.



(b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department.

SECTION 9. IC 20-43-4-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 3.5. (a) Beginning with the September count of students made in 2015, the state board shall adjust the September count of a school corporation's ADM by adding to the count (as otherwise adjusted under this chapter) the number of students who meet all of the following conditions:**

- (1) The student was included in the school corporation's count of students in the preceding February.**
- (2) After the date of the school corporation's count of students in the preceding February and before the date of the school corporation's September count of students, the student completed the student's requirements for graduation for course credits earned before completing or upon completion of grade 11.**
- (3) On the date of the September count of students, the student is not enrolled in the school corporation.**

(b) Beginning with the February count of students made in 2016, the state board shall adjust the February count of a school corporation's ADM by adding to that count (as otherwise adjusted under this chapter) the number of students who meet either of the following conditions:

- (1) The student:**
 - (A) was included in the school corporation's count of students for the preceding September because of an adjustment made under subsection (a); and**
 - (B) is not enrolled in the school corporation on the date of the February count of students.**
- (2) The student:**
 - (A) was included in the school corporation's count of students in the preceding September;**
 - (B) completed the student's requirements for graduation after the date of the school corporation's count of students in the preceding September and before the date of the school corporation's February count of students; and**



(C) is not enrolled in the school corporation on the date of the February count of students."

Renumber all SECTIONS consecutively.

(Reference is to ESB 566 as printed April 10, 2015.)

FRYE R

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 566 be amended to read as follows:

Page 31, between lines 10 and 11, begin a new paragraph and insert:

"(c) In developing metrics for the categories established under subsection (a), the state board, in consultation with the department, shall consider the severity of tested students' disabilities when using ISTEP scores as a means of assessing school performance."

(Reference is to ESB 566 as printed April 10, 2015.)

SMITH V

